

Message Text

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R 251645Z MAY 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 3466

INFO AMCONSUL BELEM

AMCONSUL PORTO ALEGRE

AMCONSUL RECIFE

AMCONSUL RIO DE JANEIRO

AMCONSUL SALVADOR

AMCONSUL SAO PAULO

C O N F I D E N T I A L SECTION 1 OF 3 BRASILIA 3722

E.O.11652: XGDS-1

TAGS: PGOV, BR

SUBJECT: THE GEISEL GOVERNMENT: TWO MONTHS OF DECOMPRESSION

SUMMARY: CONTINUING CONTACT WITH KNOWLEDGEABLE POLITICIANS, INCLUDING KEY LEGISLATIVE LEADERS AND MEMBERS OF THE CABINET, AND WITH PRESS SOURCES LEADS THE EMBASSY TO THE CONCLUSION THAT, DESPITE SOME BACKSLIDING, DECOMPRESSION IS STILL THE OBJECTIVE OF THE GEISEL GOVERNMENT. THE DECOMPRESSION PROCESS WAS ENGAGED IN FOR REASONS CONSIDERED IMPORTANT TO THE CONTINUED PROGRESS TOWARD THE ORIGINAL GOALS OF THE REVOLUTION. THE ACTIONS AND GESTURES OF THE GEISEL ADMINISTRATION IN PROMOTING DECOMPRESSION HAVE BEEN NUMEROUS AND ARE SUMMARIZED BELOW. THE ADMINISTRATION APPEARS TO BE IN THE PROCESS OF TRYING TO DEFINE THE LIMITS OF POLITICALLY TOLERABLE ACTIVITY WITHIN THE INCREASED AREA OF MANEUVER GRANTED TO THE BENEFICIARIES OF THE DECOMPRESSION PROCESS BY SINGLING OUT "HARD CASES" FOR EXEMPLARY PUNISHMENT. THIS HAS OCCURRED IN AT LEAST ONE CASE, I.E.,
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THE INDICTMENT OF DEPUTY FRANCISCO "CHICO" PINTO, AND

MAY BE APPLIED TO OTHER INDIVIDUALS OR SECTORS AS THE PROCESS DEVELOPS. BEYOND THIS DEFINITION OF LIMITS, A POLICY WHOSE IMPLEMENTATION MIGHT BE MISCONSTRUED AS INCONSISTENT WITH DECOMPRESSION BUT WHICH WE BELIEVE TO BE IN ACCORD WITH GEISEL'S PURPOSE, THERE HAS BEEN SOME RETROGRADE GOVERNMENT ACTION. THIS HAS BEEN NOTABLE IN THE QUESTION OF DELFIM NETO'S CANDIDACY FOR THE GOVERNORSHIP OF SAO PAULO: THE RESUMPTION OF PRESS CENSORSHIP IN REACTION TO MEDICI SUPPORTERS' OBJECTIONS TO CRITICISM OF THE PREVIOUS ADMINISTRATION AND TO THE RUSH OF SOME PERIODICALS TO PUBLISH HERETOFORE PROHIBITED ITEMS AND, ALSO, IN THE CONTINUATION OF OLD STYLE REPRESSIVE ACTIVITY BY THE SECURITY APPARATUS. THIS APPARENT AMBIVALENCE HAS ARISEN FROM THE TWIN AND INTER- ACTING DANGERS THAT THE GOVERNMENT FORESEES IN THE DECOMPRESSION PROCESS. THAT IS , ON THE ONE HAND, THAT THE BENEFICIARIES WILL TRY TO EXPLOIT THE SOMEWHAT GREATER ELBOW ROOM THEY ARE BEING CONCEDED AND, ON THE OTHER, THAT THE CONSERVATIVE ELEMENTS OF THE SYSTEM WILL BE MADE UNEASY AND MAY, THEREFORE, REACT ADVERSELY TO DECOMPRESSION MEASURES IN GENERAL. THERE ARE OBIOUS DIFFICULTIES INHERENT IN HE DELICATE DECOMPRESSION PROCESS. AT THE PRESENT, THESE DIFFICULTIES REFLECTED IN SOME BACKSLIDING, HAVE NOT COMPROMISED THE PROCESS AND, WE BELIEVE, DO NOT REFLECT SECOND THOUGHTS ABOUT THE BASIC COURSE BEING TAKEN BY THE GOVERNMENT. END SUMMARY.

2. THE DECISION TO ENGAGE IN THE DECOMPRESSION PROCESS, ACCORDING TO MOST POLITICAL OBSERVERS, WAS ARRIVED AT IN A COOLLY RATIONAL MANNER BY PRESIDENT GEISEL (WITH THE AID OF GENERAL GOLBERY) AS A MEANS OF:

A. PROVIDING A SUBSTITUTE CHANNEL IN THE FORM OF A SOMEWHAT REVITALIZED CONGRESS FOR THE REPRESENTATION OF ECONOMIC INTERESTS IN VIEW OF THE EXECUTIVE'S DECISION TO CENTRALIZE THE ECONOMIC PLANNING PROCESS IN THE PRESIDENCY AND RESTRICT THE MINISTRY OF FINANCE TO A MORE TRADITIONAL ROLE. DELFIM NETO'S STATUS AS A SUPER MINISTER WITH BROAD POWERS DELEGATED BY PRESIDENT MEDICI AND AS THE PRINCIPAL SPOKESMAN FOR THE ENTREPRENEURIAL CLASS WITHIN

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THE GOVERNMENT WAS GENERALLY CONCEDED TO BE INCOMPATIBLE WITH PRESIDENT GEISEL'S MORE DIRECT METHOD OF COPEATION.

B. EXPANDING THE POPULAR BASE OF THE REGIME OR AT LEAST ESTABLISHING COMMUNICATION WITH HERETOFORE IGNORED OR ALIENATED SECTORS (THE CHURCH, STUDENTS) AS A MEANS OF LEGITIMIZING THE REVOLUTIONARY PROCESS AND EVOLVING AWAY FROM THE NEED FOR AN ELABORATE REPRESSIVE APPARATUS.

IN THIS CONNECTION, ONE ANALYST CHARACTERIZED PRESIDENT GEISEL AND GENERAL GOLBERY AS THE "LAST REMNANTS OF THE ESG-FEB SYNDROME OF RELATIVELY LIBERAL CASTELLISTA GENERALS."

C. ABSORBING A LARGE SEGMENT OF THE POTENTIALLY DISAFFECTED POLITICAL CLASS, INTELLECTUALS AND THE MEDIA INTO THE REVOLUTIONARY PROCESS BY PERMITTING THESE ELEMENTS A LIMITED POLITICAL PARTICIPATION IN THE DELIBERATIVE PROCESSES OF THE GOVERNMENT.

D. INCIDENTALLY, EXPANDING THE ULTIMATE RESPONSIBILITY FOR THE ACTIONS OF THE GOVERNMENT BEYOND THE HERETOFORE NARROW LIMITS OF THE ALLIANCE BETWEEN THE MILITARY "SAVIORS OF THE NATION" AND THE REVOLUTIONARY TECHNOCRATS. BY THE VERY NATURE OF THE 1964 COUP AND THE SENSE OF ITS AUTHORS THAT THEY KNEW WHAT WAS BEST FOR THE NATION, THE PRESENT SYSTEM WOULD FIND IT VERY DIFFICULT POLITICALLY TO TAKE SOLE RESPONSIBILITY FOR MISTAKES OF POLICY OR JUDGMENT.

3. THE ACTIONS AND GESTURES OF THE GEISEL ADMINISTRATION IN PROMOTING DECOMPRESSION HAVE BEEN REPORTED ELSEWHERE BUT ARE BRIEFLY SUMMARIZED BELOW. THESE INCLUDE: A. BEISEL'S DIALOGUE WITH MEMBERS OF THE POLITICAL CLASS PRIOR TO THE INAUGURATION (A-159, DEC. 17, 1973); B. THE APPOINTMENT OF THREEMEMBERS OF THE POLITICAL CLASS TO THE CABINET (BRASILIA 1324); C. HIGH LEVEL MEETINGS BETWEEN MEMBERS OF THE ADMINISTRATION AND REPRESENTATIVES OF THE CHURCH HIERARCHY DURING WHICH ASSURANCES WERE GIVEN ON THE RELAXATION OF CENSORSHIP, ARBITRARY ARREST AND TORTURE, FOLLOWED BY PRESIDENT GEISEL'S OSTENTATIOUS PARTICIPATION AT THE INAUGURATION OF THE PAPAL NUNCIATURA (BRASILIA 1850, 2994); D. STATEMENTS MADE BY THE MINISTER OF JUSTICE, SUBSUMED UNDER THE SHORT-CONFIDENTIAL

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HAND PHRASE "THE FALCAO PLAN," ABOUT CONSULTATION OF THE HERETOFORE DISAFFECTED CLASSES (BRASILIA 1850) AND ON GOB POLICY WITH REGARD TO THE RIGHTS OF THE "CASSATED" (BRASILIA GLRUILC E. THE APPOINTMENT OF AN ACTIVIST MAJORITY LEADER IN THE CHAMBER OF DEPUTIES; F. THE DECISION TO RESTRICT THE NUMBER OF DECREE LAWS AND RELY ON THE CONGRESS FOR THE PASSAGE OF LEGISLATION; G. THE APPEARANCE BEFORE THE CONGRESS OF TWO CABINET MINISTERS WITHIN THE FIRST TWO MONTHS OF THE NEW GOVERNMENT, A SHARP DEPARTURE FROM PRACTICE UNDER THE PREVIOUS ADMINISTRATION; AND H. THE SO-CALLED "PORTELLA MISSION" WHICH HAS SENT THE PRESIDENT OF THE GOVERNMENT ARENA PARTY ON A CANVASS THROUGH THE STATES SEEKING A "CONSENSUS" FOR THE DESIGNATION OF GUBERNATORIAL CANDIDATES. IN THE LATTER CASE, WHILE NO ONE IS UNDER ANY ILLUSIONS BUT THAT PRESIDENT GEISEL RETAINS

THE ULTIMATE CHOICE, IT IS APPARENT THAT AN EFFORT IS BEING MADE TO SELECT INDIVIDUALS WITH BROAD POLITICAL SUPPORT WITH A SUBSIDIARY DETERMINATION TO AVOID MILITARY CANDIDATES (BRASILIA 1850).

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FM AMEMBASSY BRASILIA
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4. WE UNDERSTAND FROM GOOD SOURCES THAT PRIOR TO THE INAUGURATION PRESIDENT GEISEL WAS ALREADY INTENT ON DECOMPRESSION BUT, AT THE SAME TIME, HAD VERY MUCH IN MIND THE NECESSITY OF DEFINING THE LIMITS WITHIN THE DECOMPRESSION PROCESS BY EXEMPLARY PUNISHMENT AS THE OPPORTUNITY AROSE. WE HAVE, WE BELIEVE, ONE CASE OF THIS KIND, THAT OF DEPUTY FRANCISCO "CHICO" PINTO, WHO WAS IDEALLY SUITED FOR THE ROLE THRUST UPON HIM. HE IS A MAVERICK WITHIN HIS OWN OPPOSITION PARTY. HE HAS NO POWER BASE OF HIS OWN. HE SPOKE ON AN ISSUE OF LIMITED SIGNIFICANCE TO BRAZIL. THE SHARP REACTION OF THE MDB AUTENTICO GROUP TO THE ADMINISTRATION'S INITIATIVE WAS TEMPORARILY DAMPENED LAST WEEK WHEN ASSEMBLY PRESIDENT FLAVIO MARCILIO, IN AN ACTION REINFORCING THE ORIGINAL LIMIT-DEFINING STEP, WARNED THAT "FURTHER CASSATIONS" MIGHT BE FORTHCOMING IF CONGRESSMEN SOUGHT TO TAKE ADVANTAGE OF DECOMPRESSION.

WHILE THIS WAS CONSIDERED BY MANY POLITICIANS TO BE AN ATTEMPT ON THE PART OF THE DEMOCRATICALLY INCLINED BUT OPPORTUNISTIC MARCILIO TO CURRY FAVOR WITH THE MILITARY, THE PRESIDENT OF THE CHAMBER IS ALSO HEAVILY CENSORING
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THE CONGRESSIONAL RECORD OF THE MORE INTEMPERATE REMARKS MADE BY DEPUTIES. DESPITE THE FACT THAT PERSONS IN A POSITION TO KNOW CLAIM THAT GEISEL HAD IN MIND THE SAME LIMIT-DEFINING ACTION IN THE ECONOMIC AND, INDEED, IN THE MILITARY FIELD, WE HAVE SEEN NO EVIDENCE OF THIS AS YET. SOME OBSERVERS BELIEVE THAT THE HALLES BANK CASE WAS OF THIS NATURE IN THE FINANCE FIELD, A VIEW OF WHICH WE ARE SKEPTICAL.

5. THE DELFIM NETO CASE (BRASILIA 2060) DID NOT HAVE THE "PREMEDITATED" NATURE OF THE ACTIONS DESCRIBED ABOVE SINCE NO ONE EXPECTED THE FORMER FINANCE MINISTER TO MOUNT A SERIOUS CAMPAIGN FOR THE GOVERNORSHIP OF SAO PAULO IN THE FACE OF THE SERIOUS RESERVATIONS ON THE PART OF THE CENTRAL GOVERNMENT TOWARD HIS CANDIDACY. YET THE ACTIONS OF THE GOVERNMENT IN THWARTING THE DELFIM CAMPAIGN CONTRIBUTING TO THE LIMIT-DEFINING PROCESS BY ESTABLISHING THE PRESIDENT'S ULTIMATE CONTROL OVER THE SELECTION OF GUBERNATORIAL CANDIDATES. IN ADDITION, THE NATURE OF THE GOVERNMENT'S ACTIONS WERE COMPATIBLE WITH THE STYLE OF THE DECOMPRESSION PROCESS SINCE, DESPITE THE GENERALLY ACCEPTED JUDGMENT THAT THE FORMER FINANCE MINISTER WAS VETOED BY THE CENTRAL GOVERNMENT, THE ACTUAL HANDLING OF THE CASE APPEARS TO REFLECT A MUCH MORE SUBTLE AND POLITICALLY SOPHISTICATED APPROACH. ARENA PARTY PRESIDENT PETRONIO PORTELLA STOUTLY MAINTAINED TO AN EMBASSY OFFICER THAT DELFIM WAS DONE IN BY HIS OWN LACK OF POLITICAL EXPERTISE. PORTELLA DOES NOT DENY THAT DELFIM WAS UNACCEPTABLE TO THE CENTRAL GOVERNMENT, BUT CLAIMS THAT NO UNTOWARD PRESSURE BY THE REGIME WAS NECESSARY. ACCORDING TO PORTELLA, DELFIM LINED UP "THE SAO PAULO PLUTOCRATS AND GOVERNOR NATEL, WHO COULD NOT DECLARE HIMSELF SINCE HE WAS ACTING AGAINST THE WISHES OF THE PARTY." IN THE MEANTIME, DELFIM RIVAL PAULO EGYDIO MARTINS AND PORTELLA WERE BUSILY LINING UP THE PARTY. WHEN THE CONFRONTATION CAME, PORTELLA HAD THE PARTY IN HIS POCKET AND WAS ABLE TO OFFER DELFIM, DISPARAGINGLY, A PLACE ON THE LIST OF CANDIDATES FOR THE CHAMBER OF DEPUTIES, A STORY PORTELLA TELLS WITH SOME GLEE IN HIS ROLE OF "NORDESTINO" COUNTRYBOY POLITICIANS OUTWITTING THE SAO PAULO CITY-SLICKER. NEEDLESS TO SAY THERE ARE FEW DELFIM SUPPORTERS WHO WILL FULLY CREDIT PORTELLA'S STORY, AND THERE IS NO
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DOUBT IN OUR MIND THAT IF THE ISSUE HAD NOT BEEN FINESSED IN THIS MANNER, ALL STOPS WOULD HAVE BEEN PULLED OUT IN AN EFFORT TO STOP DELFIM. FOLLOWING DELFIM'S SETBACK, THE SPREADING RUMORS TO THE EFFECT THAT THE FORMER FINANCE MINISTER AND SOME OF HIS ASSOCIATES WERE UNDER SOME FORM OF ARREST IS ASCRIBED VARIOUSLY TO AN ATTEMPT BY DELFIM AND HIS SUPPORTERS TO WORK UP SYMPATHY FOR THE FORMER MINISTER (THE ADMINISTRATION'S VERSION, INCLUDING SNI) OR AN ATTEMPT BY THE GEISEL ADMINISTRATION TO DENIGRATE THE ACHIEVEMENTS OF THE MEDICI ADMINISTRATION (ROBERTO

MEDICI TO A PROMINENT BRAZILIAN JOURNALIST). WHILE THE RUMORS WERE LAID TO REST WHEN DELFIM APPEARED IN PUBLIC, MEDICI SUPPORTERS FELT THEIR VERSION WAS CONFIRMED AFTER FINANCE MINISTER SIMONSEN IMPLICITLY CRITICIZED DELFIM'S FISCAL POLICIES WHILE DEFENDING THE PRESENT ADMINISTRATION'S POSITION IN THE FACE OF A GROWING INFLATION.

6. THE CRITICISM OF THE MEDICI ADMINISTRATION'S ECONOMIC POLICIES AND THE REACTION TO SUCH CRITICISM BY MEDICI SUPPORTERS HAS BEEN ONE OF THE SINGLE MOST IMPORTANT FACTORS IN PRODUCING A RETROGRADE MOVEMENT ON THE PART OF THE REGIME PARTICULARLY IN THE AREA OF MEDIA CENSORSHIP. THIS WAS BROUGHT TO A HEAD BY THE BATISTA RAMOS TRIBUNAL DE CONTAS REPORT (BRASILIA 3389), WHICH WAS SHARPLY CRITICAL OF MEDICI POLICIES. IT IMMEDIATELY LED TO THE ASSUMPTION BY MANY OBSERVERS THAT THE GEISEL ADMINISTRATION HAD INSPIRED THE CRITICISM IN ITS CONTINUING EFFORT TO DEFEND ITSELF FROM THE PROBLEMS INHERITED FROM ITS PREDECESSOR. THIS IMPRESSION WAS GIVEN SOME CREDENCE WHEN AN ANTICIPATED RESPONSE BY ARENA DEPUTY DANIEL FARACO TURNED OUT TO BE MILD IN ITS REBUTTAL. NEVERTHELESS, ONE KNOWLEDGE-ABLE SOURCE INDICATED THAT RAMOS (WHO HAD BEEN APPOINTED TO THE TRIBUNAL BY MEDICI) WAS AN ACKNOWLEDGED OPPORTUNIST QUITE CAPABLE OF ACTING AS HE DID ON HIS OWN IF HE SENSED ANY POTENTIAL ADVANTAGE FOR HIMSELF. ANOTHER SOURCE POINTED OUT THAT BATISTA RAMOS PERFORMED A SIMILAR DIS-SERVICE FOR THE KUBITSCHEK ADMINISTRATION WHEN, UPON LEAVING THE POST OF MINISTER OF AGRICULTURE AND RESUMING HIS SEAT IN THE CHAMBER OF DEPUTIES, HE USED THE OCCASION OF HIS MAIDEN SPEECH TO CRITICIZE THE POLICIES OF THE ADMINISTRATION. CONFIDENTIAL

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PROBLEM RAISED BY THE TRIBUNAL DE CONTAS
REPORT BECAME MOOT WHEN AREAN VICE LEADER VIRGILIO TAVORA,
UPON HIS RETURN TO THE SENTATE FROM HIS HOME STATE, DE-
LIVERED THE ADMINISTRATION'S SHARPLY WORDED DENUNCIATION
OF THE RAMOS REPORT. TAVORA INFORMED AN EMBASSY OFFICER
THAT HIS OFFICIAL INSTRUCTIONS WERE QUITE EXPLICIT AND
STRONGLY WORDED, AND HE WAS CONVINCED THAT RAMOS HAD
NOT RECEIVED HIS "INSPIRATION" FROM THE PRESIDENT.
TAVORA DID CONSIDER IT POSSIBLE THAT RAMOS HAD BEEN
INFLUENCED BY A "SECOND STRING BUREAUCRAT" WHO WISHED TO
TAKE ANOTHER CRACK AT FORMER MINISTER OF FINANCE DELFIM
NETO. SOURCES AT THE ESTADO DE SAO PAULO ARE CONVINCED
THAT RAMOS' INSPIRATION AND GHOSTWRITER WAS, IN FACT,
MINISTER OF PLANNING REIS VELOSO, WHO DISTASTE FOR DELFIM
IS NOTORIOUS. TAVORA DENIED THAT WHAT HAD REALLY HAPPENED WAS
THAT THE GEISEL ADMINISTRATION HAD CHANGED ITS
TACTICS AFTER GAUGING THE DEPTH OF THE REACTION AMONG
MEDICI SUPPORTERS TO THE ADMINISTRATION'S CRITICISM OF
PREVIOUS FISCAL AND ECONOMIC POLICIES. WHILE THIS POINT
WILL BE THE SUBJECT OF MUCH FUTURE DEBATE, THERE IS NO
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QUESTION BUT THAT A NUMBER OF SYMBOLIC ACTIONS WERE TAKEN BY THE GEISEL ADMINISTRATION TO SMOOTH OVER ANY RUFFLED FEATHERS. PRESIDENT MEDICI IN THE COMPANY OF FORMER SNI CHIEF FONTOURA WAS RECEIVED BY PRESIDENT GEISEL WHEN THE FORMER TRAVELED TO BRASILIA FOR A MILITARY PROMOTION CEREMONY. MRS. MEDICI WAS DECLARED "MOTHER OF THE YEAR" IN A WELL-PUBLICIZED CEREMONY BY THE GLOBO NEWSPAPER, AN ENTERPRISE WHICH TAKES GREAT CARE IN THE BEING ON THE RIGHT SIDE OF THE GOVERNMENT. LEITAO DE ABREU, THE FORMER CHIEF OF THE CIVIL HOUSEHOLD, WAS NOMINATED TO THE SUPREME COURT BY PRESIDENT GEISEL.

7. ALTHOUGH THE RESUMPTION OF PRESSCENSORSHIP WAS MOTIVATED IN BY THE MEDICI GROUP'S SHARP REACTION TO THE AMPLE COVERAGE GIVEN TO REMAKRS FROM VARIOUS SOURCES DEROGATORY OF THE MEDICI ADMINISTRATION'S POLICIES, IT HAS ALSO BEEN ATTRIBUTED TO THE GEISEL ADMINISTRATION'S CONCERN ABOUT THE RUSH BY A NUMBER OF PERIODICALS TO PUBLISH OTHER ITEMS WHICH HAD BEEN PREVIOUSLY FORBIDDEN. WHEN INFORMAL REQUESTS FOR RESTRAINT WERE EITHER IGNORED OR CHALLENGED, THE ADMINISTRATION BELIEVED IT HAD NO RECOURSE BUT TO RESTORE CENSORSHIP IN ORDER TO AVOID UPSETTING CONSERVATIVE ELEMENTS OF ITS MILITARY CONSTITUENCY. THIS POLICY OF TREADING CAREFULLY WHERE MILITARY SENSIBILITIES ARE INVOLVED IS ACCORDING TO A NUMBER OF OBSERVERS THE SINGLE MOST IMPORTANT REASON FOR THE RETRENCHMENT IN OTHER AREAS BEYOND THE SIMPLE ISSUE OF CENSORSHIP. WHILE THE EMBASSY CANNOT SUBSCRIBE AT THIS TIME TO THE THESIS THAT TWO PARALLEL SYSTEMS EXIST, WITH THE ADMINISTRATION IN ONE AREA AND AN INDEPENDENT OR SEMI-INDEPENDENT SECURITY APPARATUS IN ANOTHER, WE CAN SEE HOW THE MANIFESTATION OF THE EXECUTIVE'S SENSITIVITY IN DEALING WITH IMPORTANT SECTORS OF THE MILITARY ESTABLISHMENT COULD LEAD TO SUCH AN ASSERTION.

8. IT IS EVIDENT THAT THE GESEL GOVERNMENT MUST EXERCISE CAUTION IN IMPOSING INNOVATIONS ON ITS MILITARY POWER BASE. THE ADMINISTRATION DOES NOT HAVE THE SERVICES OF A GENERAL ORLANDO GEISEL, FORMER MINISTER OF THE ARMY, WHO WAS NOTORIOUS FOR HIS STRICT AND ROUGH CONTROL OF POLITICAL BACKTALK ON THE PART OF ACTIVE DUTY GENERALS. THE LATE ARMY MINISTER GENERAL DALE COUNINHO WAS SAID TO BE LIVING UP TO HIS "PUSSYCAT" IMAGE. AS ONE POLITICAL CONFIDENTIAL

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OBSERVER PHRASED IT, "GENERAL GEISEL IS NOT A MILITARY-TYPE GENERAL NOR IS GENERAL GOLBERY UNIVERSALLY ESTEEMED BY HIS PEERS." THE EMBASSY IS AWARE THAT MINISTER OF JUSTICE ARMANDO FALCAO HAS APPEALED TO SEVERAL POLITICAL WRITERS TO ASSIST THE GOVERNMENT IN CREATING A CLIMATE

PROFITIOUS TO DECOMPRESSION. WE CONSIDER THIS A TACIT ADMISSION THAT, WHILE THE GEISEL ADMINISTRATION IS IN A POSITION TO LEAD, IT CANNOT, WITHOUT CAREFUL PREPARATION, OVERRIDE STRONGLY HELD VIEWS OF ITS PRINCIPAL POLITICAL CONSTITUENCY, THE MILITARY. THEREFORE, WE FIND NO INCONSISTENCY--OR BAD FAITH--IN THE FACT THAT GENERAL GOLBERY WOULD TELL MEMBERS OF THE CHURCH HIERARCHY THAT IT WAS THE INTENTION OF THE ADMINISTRATION TO GO EASY ON REPRESSION AND TORTURE BUT, NEVERTHELESS, FIND IT DIFFICULT TO REIN IN THE SECURITY APPARATUS WHEN CONFRONTED WITH STUDENT UNREST AT THE UNIVERSITY OF SAO PAULO.

9. IN SUM, THE EMBASSY CONTINUES TO BELIEVE THAT THE GIESEL ADMINISTRATION IS SINCERE IN ITS DESIRE FOR A GRADUAL RELAXATION OF RESTRAINTS ON POLITICAL ACTIVITY IN BRAZIL FOR REAONS IT CONSIDERS IMPORTANT TO THE CONTINUED PROGRESS TOWARD THE ORIGINAL GOALS OF THE REVOLUTION. WE ALSO BELIEVE THAT AN EFFORT IS UNDER WAY TO ESTABLISH CLEAR LIMITS TO THE EXTENT AND KIND OF POLITICAL ACTIVITY WHICH THE ADMINISTRATION WILL TOLERATE. NEVERTHELESS, THE ADMINISTRATION FINDS ITSELF IN THE POSITION OF HAVING TO PERSUADE SOME OF ITS MILITARY AND CIVILIAN SUPPORTERS INTO AGREEING TO A PROCESS THEY MAY FIND DIFFICULT TO ACCEPT EMOTIONALLY AND, PERHAPS, INTELLECTUALLY AS WELL. THE ADMINISTRATION WILL FIND IT NECESSARY TO PROVE TO THE SATISFACTION OF ITS MORE CONSERVATIVE SUPPORTERS THAT IT IS ABLE TO CONTROL THE RELAXATION PROCESS. IT WILL ALSO FIND IT NECESSARY TO TEMPER THE ENTHUSIASM OF THE POLITICAL CLASS AND GAIN ITS ACQUIESCENCE TO THE GRADUALIST APPROACH BY CONTINUING TO HOLD BEFORE IT THE PROSPECT OF A RETURN TO A MORE NORMAL CONSTITUTIONAL SYSTEM WITHIN THE LIFE OF THIS ADMINISTRATION. GIVEN THE HIGH DEGREE OF SKILL REQUIRED OF THE MANAGERS OF THE PROCESS, THE EMBEDDED SKEPTICISM AND HOSTILITY TOWARD THE PROCESS BY CONSERVATIVE ELEMENTS OF THE SYSTEM AND THE EXTRAORDINARY SELF-DISCIPLINE AND SELF-CONFIDENTIAL

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CONTROL DEMANDED OF THE BENEFICIARIES OF THE PROCESS-- NOT TO MENTION THE SERIOUSLY COMPLICATING FACTOR OF ECONOMIC DIFFICULTIES--NO ONE CAN EXPECT THE COURSE TO BE SMOOTH AND PROGRESS WILL BE UNEVEN AT BEST.
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